

## **Climate Change Fact Sheet**

## THE BUSH ADMINISTRATION'S ACTIONS ON GLOBAL CLIMATE CHANGE

I've asked my advisors to consider approaches to reduce greenhouse gas emissions, including those that tap the power of markets, help realize the promise of technology and ensure the widest-possible global participation....Our actions should be measured as we learn more from science and build on it. Our approach must be flexible to adjust to new information and take advantage of new technology. We must always act to ensure continued economic growth and prosperity for our citizens and for citizens throughout the world."—President George W. Bush

The Bush Administration has delivered on the President's commitment with a comprehensive, innovative program of domestic and international initiatives:

<u>National Goal to Reduce Emissions Growth:</u> In February 2002, President Bush committed the United States to a comprehensive strategy to reduce the greenhouse gas intensity of the American economy (how much we emit per unit of economic activity) by 18 percent by 2012. Meeting this commitment will prevent the release of more than 500 million metric tons of carbon-equivalent emissions to the atmosphere. To help achieve this goal, President Bush has taken the following actions:

Cabinet Committee on Climate Change Science and Technology Integration: President Bush has created an interagency, cabinet-level committee, co-chaired by the Secretaries of Commerce and Energy, to coordinate and prioritize Federal research on global climate science and advanced energy technologies. This Committee develops policy recommendations for the President and oversees the sub-cabinet interagency programs on climate science and technology.

Increased Budget for Climate Change Activities: President Bush's FY 2005 Budget proposes \$5.8 billion for climate change programs and energy tax incentives, which is over \$700 million (13.9 percent) more than FY 2004, as enacted. This figure includes nearly \$3 billion for the Climate Change Technology Program, nearly \$2 billion for the Climate Change Science Program, and \$229 million for climate change-related international assistance programs. In addition, substantial funding for conservation programs under the 2002 Farm Bill will significantly increase the removal of carbon dioxide from the atmosphere due to agricultural activities.

Tax Incentives to Reduce Greenhouse Gas Emissions: The President's FY 2005 budget proposes energy tax incentives that promote greenhouse gas emission reductions totaling \$680 million in FY 2005 and \$4.1 billion through FY 2009. The incentives are designed to spur the use of cleaner, renewable energy and more energy-efficient technologies that reduce greenhouse gas emissions. Consistent with the President's National Energy Policy, the tax incentives include credits for the purchase of hybrid and fuel-cell vehicles, residential solar heating systems, energy produced from landfill gas, electricity produced from alternative energy sources such as wind and biomass, and combined heat and power systems.

<u>Climate Change Technology Program (CCTP):</u> The President's FY 2005 Budget continues strong support – nearly \$3 billion – for the CCTP, a multi-agency program to accelerate the development and deployment of key technologies that can achieve substantial greenhouse gas emissions reductions. CCTP includes climate change-related technology research, development, and deployment efforts as well as voluntary programs. Some initiatives within CCTP include:

**Hydrogen:** President Bush launched his Hydrogen Fuel Initiative in his 2003 State of the Union Address. The goal is to work closely with the private sector to accelerate our transition to a hydrogen economy, on both the technology of hydrogen fuel cells and a fueling infrastructure. The President's Hydrogen Fuel Initiative and the FreedomCAR Partnership launched in 2002 will provide \$1.7 billion through 2008 to develop hydrogen-powered fuel cells, a hydrogen infrastructure, and advanced automobile technologies, allowing for commercialization of fuel cell vehicles by 2020. Through its International Partnership for a Hydrogen Economy (see international section below), the United States is pursuing international cooperation to affect a more rapid, coordinated advance for this technology that could lead to the reduction of air pollutants and a significant reduction of greenhouse gas emissions in the transportation sector worldwide. For more information on this initiative, please visit <a href="http://www.whitehouse.gov/ceg/hydrogen-fuels.html">http://www.whitehouse.gov/ceg/hydrogen-fuels.html</a>.

**"FutureGen" -- Coal-Fired, Zero-Emissions Electricity Generation:** In February 2003, President Bush announced that the United States would sponsor, with international and private-sector partners, a \$1 billion, 10-year project to create the world's first coal-based, zero-emissions electricity and hydrogen power plant. This project is designed to dramatically reduce air pollution and capture and store greenhouse gas emissions, and is part of the U.S.-led international Carbon Sequestration Leadership Forum (see international section below), which works cooperatively with our global partners--including developing countries--on research, development, and deployment of carbon sequestration technologies in the next decade. For more information, please visit <a href="http://www.fe.doe.gov/programs/powersystems/futuregen/">http://www.fe.doe.gov/programs/powersystems/futuregen/</a>.

**Fusion Energy:** In January 2003, President Bush committed the United States to participate in the largest and most technologically sophisticated research project in the world to harness the promise of fusion energy, the same form of energy that powers the sun. If successful, this \$5 billion, internationally supported research project will advance progress toward producing clean, renewable, commercially available fusion energy by the middle of the century. Participants include the European Union, Russia, Japan, China, and South Korea. To read the President's statement, please visit <a href="http://www.whitehouse.gov/news/releases/2003/01/20030130-18.html">http://www.whitehouse.gov/news/releases/2003/01/20030130-18.html</a>.

Climate Change Science Program (CCSP): The President's 2005 budget request includes nearly \$2 billion for the Climate Change Science Program (CCSP), a Federal, multi-agency research program to investigate natural and human-induced changes in the Earth's global environmental system; to monitor, understand, and predict global change; and to provide a sound scientific basis for national and international decision-making. Key elements of the CCSP include:

Climate Change Research Initiative (CCRI): Each year, the President identifies the highest-priority research within the CCSP as his Climate Change Research Initiative (CCRI). As announced by the President in June 2001, CCRI activities include actions to advance understanding of aerosols, better quantify carbon sources and sinks, and improve the technology and infrastructure used to observe and model climate variations. In the President's FY 2005 Budget, \$237 million is proposed for CCRI, a 40 percent increase over the FY 2004 enacted level.

**10-year Federal Strategic Research Plan:** In July 2003, Energy Secretary Abraham, Commerce Secretary Evans, and White House Office of Science and Technology Policy Director Marburger released the *Strategic Plan for the U.S. Climate Change Science Program*, to guide activities and priorities of the CCSP over the next decade. The document describes a strategy for developing knowledge of variability and change in climate and related environmental and human systems, and for encouraging the application of this knowledge. The plan was developed with extensive consultation with the scientific community, including a 1,300-person workshop hosted by CCSP in November 2002, with representatives from over 35 countries. The National Academies of Science gave the plan high marks as it "articulates a guiding vision, is appropriately ambitious, and is broad in scope. It encompasses activities related to areas of long-standing importance, together

with new or enhanced cross-disciplinary efforts." To read the plan, please visit <a href="http://www.climatescience.gov/Library/stratplan2003/default.htm">http://www.climatescience.gov/Library/stratplan2003/default.htm</a>.

**U.S. Leads Earth Observation Efforts:** In September 2004, the United States released a draft 10-year Strategic Plan for the U.S. components of the integrated global Earth Observation System. Once finalized, this plan will provide the U.S. contribution to the international planning process initiated at the U.S.-hosted, first-ever Earth Observation Summit, held in July 2003, to generate strong, international support to link thousands of individual technological assets into a coordinated, sustained, and comprehensive global Earth observation system. The purpose of the system is to provide the tools needed to substantially improve our ability to identify and address critical environmental, economic, and societal concerns. More than 30 countries and 20 international organizations participated in the Summit. Participants adopted a Summit Declaration recognizing the need to support development of a comprehensive, coordinated Earth observation system. A second Earth Observation Summit was held in Tokyo in April 2004. The Group on Earth Observations, created to carry forward this international initiative, now includes 51 countries, the EU and 29 international organizations, and will convene again in early 2005 in Brussels to approve the international plan. For more information, please visit <a href="http://earthobservations.org">http://earthobservations.org</a>.

**Near-Term Greenhouse Gas Reduction Initiatives:** The Federal government administers a wide array of voluntary, regulatory, or incentive-based programs on energy efficiency, agricultural practices, and greenhouse gas reductions. Major initiatives announced by the Bush Administration include:

"Climate VISION" Partnership: In February 2003, President Bush announced that twelve major industrial sectors and the membership of the Business Roundtable have committed to work with four of his cabinet agencies (Energy, EPA, Transportation, and Agriculture) to reduce greenhouse gas emissions in the next decade. Participating industries include electric utilities; petroleum refiners and natural gas producers; automobile, iron and steel, chemical and magnesium manufacturers; forest and paper producers; railroads; and the cement, mining, aluminum, lime, and semiconductor industries. This program is one of the many voluntary programs included in the Administration's Climate Change Technology Program (CCTP). For more information please visit <a href="https://www.climatevision.gov">www.climatevision.gov</a>. To read the President's statement, please visit <a href="https://www.whitehouse.gov/news/releases/2003/02/20030212.html">https://www.whitehouse.gov/news/releases/2003/02/20030212.html</a>.

Climate Leaders: Announced in February 2002, Climate Leaders is an EPA partnership encouraging individual companies to develop long-term, comprehensive climate change strategies. Under this program, partners set corporate-wide GHG reduction goals and inventory their emissions to measure progress. Over 50 major companies are now participating, including General Motors, Alcoa, BP, Pfizer, Staples, International Paper, IBM, Miller Brewing, Eastman Kodak, and Target. This program is one of the many voluntary programs included in the Administration's Climate Change Technology Program (CCTP). For more information, please visit <a href="http://www.epa.gov/climateleaders/">http://www.epa.gov/climateleaders/</a>.

**Voluntary Greenhouse Gas Reporting Program:** Responding to President Bush's February 2002 charge, the Secretaries of Energy, Commerce, and Agriculture, and the EPA Administrator provided the President with their initial recommendations for enhancing and improving DOE's greenhouse gas emissions reduction registry. The improvements are intended to enhance the accuracy, reliability, and verifiability of greenhouse gas reductions measurements. Revised guidelines were released for public comment in late 2003, and DOE held a public workshop in January 2004 to receive further input from the public and potential users of the program. For more information, please visit <a href="http://www.pi.energy.gov/enhancingGHGregistry/index.html">http://www.pi.energy.gov/enhancingGHGregistry/index.html</a>.

**Targeted Incentives for Greenhouse Gas Sequestration:** In June 2003, Agriculture Secretary Veneman announced that, for the first time, the Department of Agriculture (USDA) would provide targeted incentives to encourage wider use of land management practices that remove carbon

from the atmosphere or reduce emissions of greenhouse gases. Through USDA's forest and agriculture conservation programs, such as the Environmental Quality Incentives Program and Conservation Reserve Program, USDA is encouraging the increased use of biomass energy, crop and grazing land conservation actions, practices to reduce emissions from agriculture, and sustainable forest management. For more information, please visit <a href="http://www.usda.gov/news/releases/2003/06/0194.htm">http://www.usda.gov/news/releases/2003/06/0194.htm</a>.

**Fuel Economy Increase for Light Trucks:** On April 1, 2003, the Bush Administration finalized regulations requiring an increase in the fuel economy of light trucks for Model Years 2005 - 2007, the first such increase since 1996. The increase from 20.7 miles per gallon to 22.2 miles per gallon by 2007 more than doubles the increase in the standard that occurred between Model Years 1986 and 1996. The new increased fuel economy standards will save approximately 3.6 billion gallons of gasoline over the lifetime of these trucks, with the corresponding avoidance of 31 million metric tons of carbon dioxide emissions.

SmartWay Transport Partnership: Announced in February 2004, SmartWay is a voluntary partnership between various freight industry sectors and EPA that establishes incentives for fuel efficiency improvements and greenhouse gas emissions reductions. By 2012, this initiative aims to eliminate 33 - 66 million metric tons of carbon dioxide emissions and up to 200,000 tons of nitrogen oxides emissions per year. At the same time, the initiative will result in fuel savings of up to 150 million barrels of oil annually. More than 70 shipping, truck, and rail companies are enrolled in the program, which focuses on reducing unnecessary engine idling, and increasing the efficiency and use of rail and intermodal operations. This program is one of the many voluntary programs included in the Administration's Climate Change Technology Program (CCTP). For more information, please visit http://www.epa.gov/otag/smartway/index.htm.

International Cooperation: The United States is engaged in extensive international efforts on climate change, both through multilateral and bilateral activities. Multilaterally, the United States is by far the largest funder of activities under the United National Framework Convention on Climate Change (UNFCCC) and the Intergovernmental Panel on Climate Change (IPCC). We remain fully engaged in multilateral negotiations under the UNFCCC, and have created or worked to revitalize a range of international climate initiatives within the last two years, including the following programs:

Methane-to-Markets Partnership: Announced by EPA Administrator Leavitt in July 2004, the Methane-to-Markets Partnership is a new and innovative program to help promote energy security, improve environmental quality, and reduce greenhouse gas emissions throughout the world. The Partnership will work closely with the private sector in targeting methane currently wasted from leaky oil and gas systems, from underground coal mines, and from landfills. EPA estimates that this Partnership could recover up to 500 billion cubic feet of natural gas (50 million metric tons of carbon equivalent) annually by 2015. Achieving this goal will develop new and cleaner energy sources that stimulate economic growth, improve the environment, and reduce global emissions of this powerful greenhouse gas. The United States intends to commit up to \$53 million to the Partnership over the next five years. Australia, China, Colombia, India, Italy, Japan, Mexico, Ukraine, the United Kingdom, and other countries will join the United States in launching the Methane to Markets Partnership at a November 2004 Ministerial meeting in Washington, DC. For more information, please visit http://www.epa.gov/methane/international.html.

International Partnership for a Hydrogen Economy: Announced by Secretary Abraham in April 2003 to implement internationally the goals of President Bush's Hydrogen Fuel Initiative and FreedomCar Partnership, the United States hosted the first Ministerial meeting of the International Partnership for a Hydrogen Economy in Washington DC in November 2003. The Partnership's 15 countries and the European Union (EU) are working together to advance the global transition to the hydrogen economy, with the goal of making fuel cell vehicles commercially available by 2020. The Partnership will work to advance research, development, and deployment of hydrogen and fuel cell technologies; and develop common codes and standards for hydrogen

use. For more information, please visit http://www.eere.energy.gov/hydrogenandfuelcells/international activities.html.

Carbon Sequestration Leadership Forum: The United States hosted the first meeting of the Carbon Sequestration Leadership Forum in Tysons Corner, Virginia, in June 2003. This international partnership works to advance technologies for pollution-free and greenhouse gasfree coal-fired power plants that can also produce hydrogen for transportation and electricity generation, such as those being developed through our FutureGen initiative. The Forum, which now includes 17 countries and the EU, held its second Ministerial meeting in September 2004 in Melbourne, Australia, where ministers approved 10 capture and storage projects as well as a Technology Roadmap to provide future directions for international cooperation. For more information, please visit <a href="http://www.fe.doe.gov/programs/sequestration/cslf/">http://www.fe.doe.gov/programs/sequestration/cslf/</a>.

Generation IV International Forum: The United States has led the development of the Generation IV International Forum, a multilateral partnership fostering international cooperation in research and development for the next generation of safer, more affordable, and more proliferation-resistant nuclear energy systems. This new generation of nuclear power plants could produce electricity and hydrogen with substantially less waste and without emitting any air pollutants or greenhouse gas emissions. Since the Forum was formally established in July 2001, the United States has led the development of a technology roadmap, and increased support for R&D projects carried out in support of the Forum's goals. For more information, please visit <a href="http://gen-iv.ne.doe.gov/intl.html">http://gen-iv.ne.doe.gov/intl.html</a>.

Renewable Energy and Energy Efficiency Partnership: Formed at the World Summit on Sustainable Development in Johannesburg, South Africa, in August 2002, the Renewable Energy and Energy Efficiency Partnership (REEEP) seeks to accelerate and expand the global market for renewable energy and energy-efficiency technologies. As the world's largest producer and consumer of renewable energy, with more renewable energy generation capacity than Germany, Denmark, Sweden, France, Italy, and the United Kingdom combined, the United States is one of 17 countries who are partners in REEEP. The United States also actively participated in the Renewables 2004 conference sponsored by the German Government in June 2004, and submitted five action items intended to provide specific technology plans and cost targets for renewable energy technologies using solar, biomass, wind, and geothermal resources.

Regional and Bilateral Cooperation: The United States has negotiated agreements with major international partners to pursue research on global climate change and deploy climate observation systems, collaborate on energy and sequestration technologies, and explore methodologies for monitoring and measuring greenhouse gas emissions. Since June 2001, the United States has launched bilateral partnerships with Australia, Brazil, Canada, China, Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama, the EU, India, Italy, Japan, Mexico, New Zealand, Republic of Korea, the Russian Federation, and South Africa on issues ranging from climate change science to energy and sequestration technologies to policy approaches. The countries covered by these bilateral partnerships account for over 70% of global greenhouse gas emissions.

**Global Environmental Facility:** The Global Environmental Facility (GEF) is the financial mechanism under the United Nations Framework Convention on Climate Change. The United States contributes more than any other country to the GEF. President Bush's FY 2005 Budget requests \$107.5 million for the third of four annual payments under the third GEF replenishment (GEF-3) and \$13.2 million to pay a portion of the U.S. arrears to the GEF-2. The clean energy portion of the GEF portfolio – its climate change focal area – accounts for about 36 percent of its financial commitments, which is about \$43 million for climate-related activities in FY 2005. This commitment will fund technology transfer and capacity building in developing countries.

**Tropical Forest Conservation Act (TFCA):** As of June 2004, seven countries have TFCA agreements: Bangladesh, Belize, Colombia, El Salvador, Panama, Peru, and the Philippines.

These agreements are offered to eligible developing countries to relieve certain official debt owed the United States while at the same time generating funds to support local tropical forest conservation activities that store carbon. These agreements will generate over \$70 million for tropical forest conservation in countries over the life of the agreements.

President's Initiative Against Illegal Logging: On July 28, 2003, Secretary of State Powell launched the President's Initiative Against Illegal Logging, developed with the objective of assisting developing countries in their efforts to combat illegal logging, including the sale and export of illegally harvested timber, and in fighting corruption in the forest sector. The initiative represents the most comprehensive strategy undertaken by any nation to address this critical sustainable development challenge, and reinforces the U.S. leadership role in taking action to counter the problem and preserve forest resources that store carbon. For more information, please visit <a href="http://www.state.gov/r/pa/prs/ps/2003/22843.htm">http://www.state.gov/r/pa/prs/ps/2003/22843.htm</a>.

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